



DEPARTMENT OF THE INTERIOR

Office of Natural Resources Revenue

[Docket No. ONRR-2011-0021; DS63644000 DR2000000.CH7000 212D1113RT;

OMB Control Number 1012-0002]

Agency Information Collection Activities: Indian Oil and Gas Valuation, 30 CFR parts 1202, 1206, and 1207

AGENCY: Office of Natural Resources Revenue (“ONRR”), Interior.

ACTION: Notice of Information Collection; request for comment.

SUMMARY: In accordance the Paperwork Reduction Act of 1995 (“PRA”), ONRR is proposing to renew an information collection. Currently, this information collection is authorized by the Office of Management and Budget (“OMB”) under OMB Control Number 1012-0002, which expires on February 28, 2022. This Information Collection Request (“ICR”) pertains to the valuation of oil and gas produced from leases on Indian lands, Indian oil and gas royalties, and required recordkeeping for oil and gas valuation and royalties for Indian Tribes and allottees. ONRR uses forms ONRR-4109, ONRR-4110, ONRR-4295, ONRR-4393, ONRR-4410, and ONRR-4411 as part of these information collection requirements.

DATES: Interested persons are invited to submit comments on or before **[INSERT DATE 60 DAYS AFTER PUBLICATION DATE IN THE *FEDERAL REGISTER*]**.

ADDRESSES: All comment submissions must (1) reference “OMB Control Number 1012-0002” in the subject line; (2) be sent to ONRR before the close of the comment period listed under **DATES**; and (3) be sent through one of the following two methods:

- *Electronically via the Federal eRulemaking Portal:* Please visit <https://www.regulations.gov>. In the Search Box, enter the Docket ID Number for this ICR renewal (“ONRR-2011-0021”) and click “search” to view the

publications associated with the docket folder. Locate the document with an open comment period and click the “Comment Now!” button. Follow the prompts to submit your comment prior to the close of the comment period.

- *Email Submissions:* Please submit your comments to ONRR_regulationsmailbox@onrr.gov with the OMB Control Number (“OMB Control Number 1012-0002”) listed in the subject line of your email. Email submissions must be postmarked on or before the close of the comment period.

Docket: To access the docket folder to view the ICR *Federal Register* publications, go to <https://www.regulations.gov> and search “ONRR-2011-0021” to view renewal notices recently published in the *Federal Register*, publications associated with prior renewals, and applicable public comments received for this ICR. ONRR will make the comments submitted in response to this notice available for public viewing at <https://www.regulations.gov>.

OMB ICR Data: You may also view information collection review data for this ICR, including past OMB approvals, at <https://www.reginfo.gov/public/do/PRASearch>. Under the “OMB Control Number” heading enter “1012-0002” and click the “Search” button located at the bottom of the page. To view the ICR renewal or OMB approval status, click on the most recent entry. On the “View ICR—OIRA Conclusion” page, check the box next to “All” to display all available ICR information provided by OMB.

FOR FURTHER INFORMATION CONTACT: To request additional information about this ICR, please contact Mr. Glen Reese, Reference & Reporting Management, ONRR, by telephone (303) 231-3160, or by email to Glen.Reese@onrr.gov. Individuals who are hearing or speech impaired may call the Federal Relay Service at 1-800-877-8339 for TTY assistance.

SUPPLEMENTARY INFORMATION: Pursuant to the PRA, 44 U.S.C. 3501, *et seq.*, and 5 CFR 1320.5, all information collections, as defined in 5 CFR 1320.3, require

approval by OMB. ONRR may not conduct or sponsor, and you are not required to respond to, a collection of information unless it displays a currently valid OMB control number. As part of ONRR's continuing effort to reduce paperwork and respondent burdens, ONRR is inviting the public and other Federal agencies to comment on new, proposed, revised, and continuing collections of information in accordance with the PRA and 5 CFR 1320.8(d)(1). This helps ONRR to assess the impact of its information collection requirements and minimize the public's reporting burden. It also helps the public understand ONRR's information collection requirements and provide the requested data in the desired format.

ONRR is especially interested in public comments addressing the following:

(1) Whether or not the collection of information is necessary for the proper performance of the functions of the agency, including whether or not the information will have practical utility;

(2) The accuracy of ONRR's estimate of the burden for this collection of information, including the validity of the methodology and assumptions used;

(3) Ways to enhance the quality, utility, and clarity of the information to be collected; and

(4) How might the agency minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of response.

Comments that you submit in response to this notice are a matter of public record. ONRR will include or summarize each comment in its request to OMB to approve this ICR. Before including your address, phone number, email address, or other personal identifying information in your comment, you should be aware that your entire comment—including your personal identifying information—may be made publicly

available at any time. While you can ask ONRR in your comment to withhold your personal identifying information from public review, ONRR cannot guarantee that it will be able to do so.

Abstract: The Secretary of the United States Department of the Interior (“Secretary”) is responsible for mineral resource development on Federal and Indian lands and the Outer Continental Shelf. Laws pertaining to Federal and Indian mineral leases are posted at https://www.onrr.gov/Laws_R_D/PubLaws/index.htm. Pursuant to the Federal Oil and Gas Royalty Management Act of 1982 (“FOGRMA”) and other laws, the Secretary’s responsibilities include maintaining a comprehensive inspection, collection, and fiscal and production accounting and auditing system that: (1) accurately determines mineral royalties, interest, and other payments owed, (2) collects and accounts for such amounts in a timely manner, and (3) disburses the funds collected. *See* 30 U.S.C. 1701 and 1711. ONRR performs these royalty and revenue management responsibilities for the Secretary. *See* Secretarial Order No. 3306.

(a) General Information: The information collections that ONRR covers in this ICR are found at 30 CFR part 1202, subparts C and J, which pertain to Indian oil and gas royalties; part 1206, subparts B and E, which govern the valuation of oil and gas produced from leases on Indian lands; and part 1207, which pertains to recordkeeping. Indian Tribes and allottees receive all royalties generated from their lands. Determining product valuation is essential to ensure that Indian Tribes and allottees receive payment on the full value of the minerals removed from their lands.

(b) Information Collections: This ICR covers the paperwork requirements under 30 CFR parts 1202, 1206, and 1207 as follows:

(1) *Indian Oil* - Regulations at 30 CFR part 1206, subpart B, govern the valuation of oil produced from Indian oil and gas leases for royalty purposes, and are consistent with mineral leasing and other applicable laws. Generally, these regulations provide that a

lessee must determine the value of oil based upon the higher of (1) the gross proceeds under an arm's-length contract; or (2) a major-portion analysis. In some situations, ONRR's regulations require reporting using form ONRR-4110, *Oil Transportation Allowance Report*, as part of these ICR requirements.

ONRR and Tribal audit personnel use the information collected on form ONRR-4110 to evaluate (1) whether lessee-reported transportation allowances are within regulatory allowance limitations and calculated accurately under applicable regulations; and (2) whether the lessee has reported and paid the proper royalty amount. A lessee must use form ONRR-4110 when its transportation allowance includes costs incurred under non-arm's-length or no-contract transportation situations.

(2) *Indian Gas* - Regulations at 30 CFR part 1206, subpart E, govern the valuation of natural gas produced from Indian oil and gas leases for royalty purposes. ONRR's regulations require reporting using ONRR forms ONRR-4109, ONRR-4295, ONRR-4410, and ONRR-4411 as part of these ICR requirements as follows:

(a) ONRR and Tribal audit personnel use the information collected on form

ONRR-4109, *Gas Processing Allowance Summary Report*, to evaluate (1) whether lessee-reported processing allowances are within regulatory allowance limitations and calculated under applicable regulations; and (2) whether a lessee has reported and paid the proper royalty amount.

(b) ONRR and Tribal audit personnel use the information collected on form

ONRR-4295, *Gas Transportation Allowance Report*, to evaluate (1) whether lessee-reported transportation allowances are within regulatory allowance limitations and calculated under applicable regulations; and (2) whether a lessee has reported and paid the proper royalty amount.

(c) A lessee must use form ONRR-4410, *Accounting for Comparison [Dual*

Accounting], to certify when dual accounting is not required on an Indian lease

(part A) or to make an election for actual or alternative dual accounting for an Indian lease (part B). Most Indian leases contain the requirement to perform accounting for comparison (dual accounting) for gas produced from the lease.

Therefore, a lessee must elect to perform actual dual accounting as defined in 30 CFR 1206.176, or alternative dual accounting as defined in 30 CFR 1206.173.

- (d) A lessee uses form ONRR-4411, *Safety Net Report*, when it sells gas production from an Indian oil or gas lease in an ONRR-designated index zone beyond the first index pricing point. The safety net calculation establishes the minimum value of natural gas production from Indian oil and gas leases for royalty purposes. This reporting requirement ensures that Indian lessors receive all royalties due and supports ONRR's compliance activities.

(3) *Indian Oil and Gas* - Regulations at 30 CFR 1206.56(b)(2) and 1206.177(c)(2) and (c)(3) provide that a lessee must submit a form ONRR-4393, *Request to Exceed Regulatory Allowance Limitation*, as part of a valid request to exceed the regulatory allowance limit of 50 percent of royalty value for transportation allowances. OMB approved the form ONRR-4393 under OMB Control Number 1012-0005, which otherwise pertains to Federal oil and gas leases. This form provides ONRR with the necessary data to make a decision on whether to approve or deny the request.

The requirement to report is mandatory for form ONRR-4410 and, under certain circumstances, form ONRR-4411. To obtain certain benefits, a lessee must file forms ONRR-4109, ONRR-4110, ONRR-4295, and ONRR-4393.

Title of Collection: Indian Oil and Gas Valuation, 30 CFR parts 1202, 1206, and 1207.

OMB Control Number: 1012-0002.

Bureau Form Number: Forms ONRR-4109, ONRR-4110, ONRR-4295, ONRR-4393, ONRR-4410, and ONRR-4411.

Type of Review: Extension of a currently approved collection.

Respondents/Affected Public: Businesses.

Total Estimated Number of Annual Respondents: 149 Indian lessees.

Total Estimated Number of Annual Responses: 149.

Estimated Completion Time per Response: 8.85 hours.

Total Estimated Number of Annual Burden Hours: 1,319 hours.

Respondent's Obligation: Required to Obtain or Retain a Benefit.

Frequency of Collection: Annual and on occasion.

Total Estimated Annual Non-Hour Burden Cost: ONRR identified no “non-hour cost” burden associated with this collection of information.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

The authority for this action is the PRA (44 U.S.C. 3501, *et seq.*).

Kimbra G. Davis,
Director for Office of Natural Resources Revenue.